




GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

DATE: January 31, 2020

TO: Orlene Hawks, Director
Licensing and Regulatory Affairs

FROM: Rachael Eubanks 
State Treasurer

SUBJECT: Bi-Annual Inflation Adjustment :
Michigan Professional Employer Organization (PEO) Regulatory Act License
Fees

MCL 338.3733(13) specifies the amount that the Department of Licensing and Regulatory Affairs (LARA) may charge under the Michigan Professional Employer Organization (PEO) Regulatory Act for:

- (a) The application fee for an initial license.
- (b) The annual license fee.

Subsection (1) specifies that LARA may not charge more than \$1,500 for an application fee for an individual PEO or for a PEO group. Subsection (4) sets the annual license fee at \$1,500 for an individual PEO and for a PEO group.

Under subsection (5), LARA may adjust the *annual license fee* for inflation every two years by an amount determined by the State Treasurer:

- (5) The department [LARA] *may adjust* the license fees under this section every 2 years by an amount determined by the state treasurer to reflect the cumulative annual percentage change in the Detroit consumer price index in the preceding 2-year period and rounded to the nearest dollar. As used in this subsection, "Detroit consumer price index" means the most comprehensive index of consumer prices available for the Detroit area by the bureau of labor statistics of the United States department of labor." (Emphasis added)

The overall Detroit CPI-All Urban Consumers was 226.896 in 2017 and was 235.267 in 2019 which is an increase for this two-year period of 3.7 percent. Thus, LARA *may* increase the \$1,611 PEO license fee amount by 3.7 percent or \$60 to \$1,671 in 2020.

Please call Eric Bussis (335-7438) or me (241-2624) if you have any questions

cc: Kim Gaedeke, Chief Deputy Director, LARA
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